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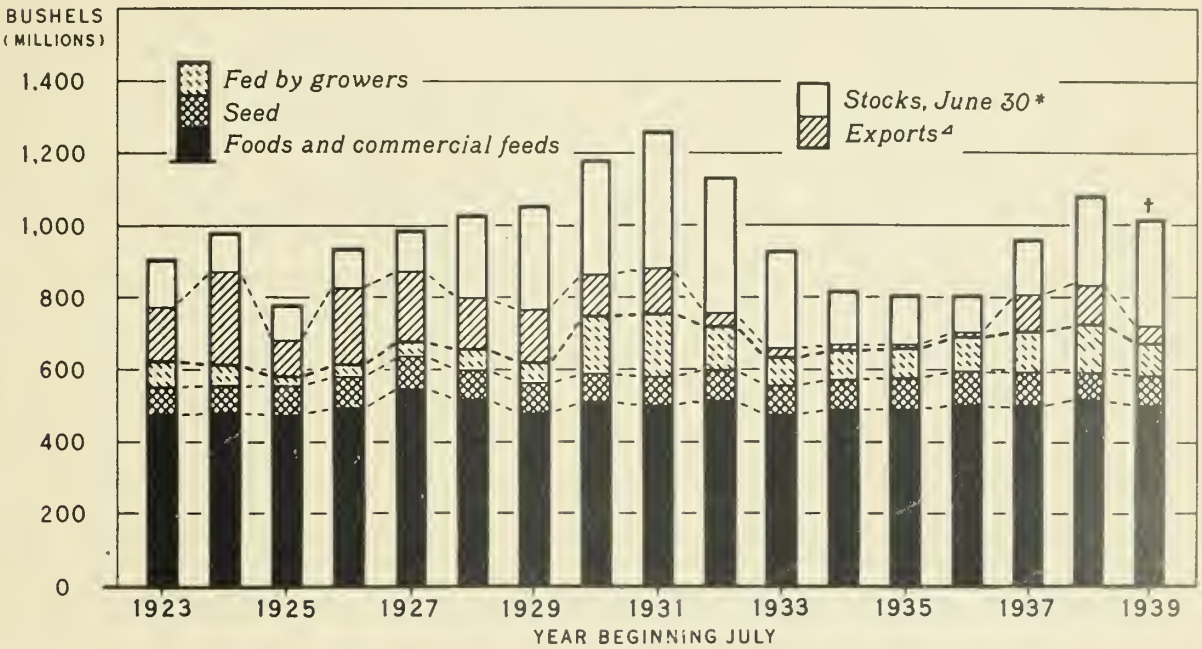
THE Wheat SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

WS-42 BAE APRIL 26, 1940

WHEAT: DISTRIBUTION OF U. S. SUPPLY, 1923-39



*1924-37 INCLUDES SOME NEW WHEAT
4 INCLUDES FLOUR MILLED FROM DOMESTIC WHEAT ONLY
† PRELIMINARY

U. S. DEPARTMENT OF AGRICULTURE NEG. 31821 BUREAU OF AGRICULTURAL ECONOMICS

WHEAT EXPORTS, WHICH AT PRESENT DOMESTIC PRICES ARE MADE POSSIBLE ALMOST ENTIRELY BY SUBSIDY, WERE SHARPLY CURTAILED BY POOR WINTER WHEAT CROP PROSPECTS. VARIATIONS IN TOTAL DOMESTIC DISAPPEARANCE DEPEND LARGELY ON THE QUANTITY OF WHEAT FED; THE QUANTITY USED FOR FOOD AND SEED CHANGES RELATIVELY LITTLE FROM YEAR TO YEAR.

THE WHEAT SITUATION

Summary

The domestic wheat supply in 1940 is expected to exceed 900 million bushels according to present indications. This indication is based on a winter wheat crop indicated as of April 1, 1940 at about 426 million bushels, a spring crop (including durum) very tentatively placed at 200 million bushels on the basis of average yields on prospective plantings, and a carry-over of all wheat on July 1, 1940 estimated at about 290 million bushels. With prospects that domestic disappearance will approximate 660 million bushels and shipments to our possessions 3 million bushels, the quantity left for exports and carry-over at the close of the 1940-41 season would be about 250 million bushels. On the basis of present conditions, exports in 1940-41 are expected to be small. The total domestic supply in 1939-40 was 1,009 million bushels, consisting of a carry-over of 254 million bushels and a crop of 755 million bushels.

Growing conditions for the 1940 world wheat crop continue unsatisfactory in many important producing areas, and the crop will require favorable conditions for the remainder of the season to make average yields per acre. With no increase in acreage probable, it seems reasonable, accordingly, to continue to expect that the 1940 crop will be smaller than that of 1939, when yields were above average. This would result in a reduction in the large world carry-over by July 1941.

Surface moisture conditions in Canada recently have improved somewhat, and according to reports moisture is adequate to give the crop a start in most districts. Subsoil reserves are low, however, throughout Manitoba and Saskatchewan. Moisture conditions are relatively better in Alberta.

Unfavorable winter weather over large areas of Europe resulted in heavier than normal winter kill. In some countries, flood conditions are also

reported to have done damage, and in most the crop is not as advanced as is usual at this time of the year. Spring seeding is reported to be generally backward.

Domestic wheat prices in April advanced sharply from the levels prevailing at the middle of March, to the highest levels since 1937. Factors which contributed to this rise were the intensified war situation, pessimistic crop news abroad, and large Canadian export sales.

Changes in wheat prices in the next few months are expected to continue to depend largely upon developments in the foreign political situation, weather conditions in both this country and abroad, and upon the volume of overseas sales of North American wheat.

THE WORLD WHEAT SITUATION IN 1939-40 1/

BACKGROUND.- Total world supplies of wheat increased sharply from 1924 to 1933, as a result of both increased acreage and yields. From 1934 to 1936, world supplies declined, following successive years of small yields and increased world demand. Supplies increased slightly in 1937. With above average yields on the large acreage, supplies in 1938 and 1939 were the largest on record.

Total world shipments of wheat averaged 751 million bushels for the period 1923-27, reached a peak of 913 million bushels in the year beginning July 1928, and then declined sharply, largely as a result of the measures taken by importing countries to reduce the use of foreign wheat. World shipments were 598 million bushels for the year beginning July 1, 1938. They are expected to be somewhat less during the current season.

World wheat prices declined in the period 1924-33 with the increase in world supplies. The sharp decline in prices after 1929 was caused largely by the general decline in industrial activity and commodity prices. From the spring of 1933 to the summer of 1937, world wheat prices moved upward, reflecting world-wide recovery in commodity price levels, currency depreciation, and reduced production. The world price for the 1937 crop remained practically unchanged from that of a year earlier. In 1938, world prices again declined sharply as a result of record world production and weakness of demand. In November and December 1939, prices advanced, influenced by the European War and by poor crop prospects in Argentina and the United States.

1/ All references to world acreage, production, and stocks in this report exclude Soviet Russia and China except where noted.

World wheat crop in 1940 expected to be smaller than in 1939

Growing conditions for the 1940 world wheat crop continue unsatisfactory in many important producing areas, and the crop will require favorable conditions for the remainder of the season to make average yields per acre. With no increase in acreage probable, it seems reasonable, accordingly, to continue to expect that the 1940 crop will be smaller than that of 1939, when yields were above average (15.5 bushels, compared with the 1923-38 average of 14.2 bushels). This would result in a reduction in the large world carry-over by July 1941, if no marked decrease in consumption occurs.

The 1940 winter wheat acreage in the nine countries for which reports have been received is estimated at 117,857,000 acres, compared with the 1939 acreage of 118,971,000 acres (table 1). The largest reductions are reported for Rumania and unofficially for Yugoslavia. Other reporting countries show slight increases compared with the acreage sown for harvest last year.

Table 1.- Winter wheat area sown in specified countries for harvest, 1937-40

Country	1937	1938	1939	1940
	1,000 acres	1,000 acres	1,000 acres	1,000 acres
United States 1/	81,072	79,565	63,896	2/ 64,439
Canada	781	815	774	813
Greece	2,117	2,062	2,320	2,557
Lithuania	379	357	365	346
Rumania	7,964	8,797	9,556	7,798
Yugoslavia	5,335	5,276	3/ 5,565	3/ 4,940
Egypt	1,421	1,470	1,501	1,503
Japan	1,776	1,777	1,827	2,001
India 4/	33,415	33,722	33,167	33,460
Total	134,260	133,801	118,971	117,857

1/ All wheat sown.
2/ Winter wheat sown plus intentions to plant spring wheat.
3/ Unofficial estimate.
4/ April estimate.

Surface moisture conditions in Canada recently have improved somewhat. Reports state that surface moisture is adequate to give the crop a start in most districts, but subsoil reserves are low throughout Manitoba and Saskatchewan. Moisture conditions are relatively better in Alberta than in the other two Prairie Provinces. Under favorable conditions, preparation of the land for spring sowing should begin about this time in Manitoba and Saskatchewan and somewhat later in Alberta.

Estimated wheat seedings are usually available at this time of the year for a number of European countries as well as for the countries of North Africa. This year estimates for only five of these countries have been received (table 1)

Unfavorable winter weather over large areas of Europe resulted in heavier than normal winter kill. In some countries, flood conditions are also reported to have done damage, and in most the crop is not as advanced as is usual at this time of the year. Spring seeding also is reported to be generally behind the usual schedules. In the important producing countries of the Danube Basin, conditions are largely unfavorable. In Rumania the condition of the winter crop is still regarded as unsatisfactory, and the prospects for the spring crop are not favorable, because of the lateness of the spring field work. The outlook for the coming crop is sufficiently uncertain at present to warrant the Government's prohibiting further exports of wheat beyond current commitments. In Hungary, rainy weather and unseasonable cold have put field work behind schedule. Yugoslavia reports that the crop this year probably will be considerably below that of a year ago. Reports from Belgium and Denmark indicate that acreage will be reduced substantially. It is reported that there has been above average winter kill in Germany. In some other parts of Europe seeding is now progressing after a late start. Winter wheat lacks color and needs warm weather and sun. Weather in May and June, however, is very important in determining final yields.

In Soviet Russia winter crops are believed to have been damaged in some important areas. Spring seeding is much behind schedule; there has been sown only approximately one-third of the grain acreage which had been sown at this time last year.

The wheat harvest is progressing in India and the yields are good. The first estimate of production places the crop at 389,648,000 bushels, compared with the revised first estimate for last year of 346,640,000 bushels and the final 1939 estimate of 370,610,000 bushels. This is the largest April estimate since that of 1923.

Conditions in central China are favorable for the wheat crop, but in some other parts of the country the outlook is unfavorable and large areas affected by the floods last year are still too wet for spring planting.

Conditions for wheat seeding in Argentina are favorable, and it is expected that there may be some increase in acreage compared with that of last year.

In Australia further rainfall is needed to facilitate the preparation of the soil and seeding.

Increase of about 250 million bushels expected in July 1940 world wheat carry-over

The estimated world wheat supply and prospective distribution for the year beginning July 1, 1939, compared with that of 1938, are shown in table 2. This includes a downward revision in the 1939-40 disappearance, and a corresponding increase in the carry-over figure. As has been pointed out in previous statements, the projected figures on disappearance and carry-over are only indications. Sources of information are greatly limited this year by war conditions. The production estimate for 1939 has not been revised since last month, although the estimate for Australia may be revised upward in view of the fact that threshing returns are reported to have exceeded expectations.

Table 2.- Estimated world supply 1/ and distribution, year beginning July 1, 1938-39

Item	Year beginning July 1 1938 estimates	Year beginning July 1 1939 indications	Increase or decrease
	Mil. bu.	Mil. bu.	Mil. bu.
Carry-over July 1 2/	599	1,189	590
Production	4,605	4,270	- 335
Total supply	5,204	5,459	255
Net exports from Soviet Russia	37	3/ - 1	- 38
Total of above	5,241	5,458	217
Disappearance	4,052	4,025	- 27
Carry-over June 30	1,189	1,433	244

1/ Excluding stocks and production in Soviet Russia and China.
2/ Differs from figures in table 12 of The Wheat Situation for February 26, 1940, by excluding some new crop wheat for the United States, figures for which were available only beginning in 1937.
3/ Net imports.

Canada occupies important export position

Stocks of wheat in Canada are large but the export situation is favorable to that country because competition from the other three major exporting countries is greatly limited. Exports from the United States have been curtailed because of poor winter wheat crop prospects and the provisions of the 1938 Agricultural Adjustment Act which set up a goal for the carry-over of 30 percent of a normal year's consumption and exports, or approximately 225 million bushels. Argentina, because of a small 1940 crop and the requirements of Brazil and other South American countries which Argentina usually supplies, is virtually out of the European markets, except for supplying some wheat to the United Kingdom for blending with the strong Canadian wheat. Australia has an above-normal surplus but is so far from Europe that high shipping costs and wartime transportation risks have greatly reduced the demand for its wheat in European markets. The United Kingdom, however, has purchased sizeable quantities of Australian wheat, some of which should move during the remainder of the current season.

Canada's wheat supply for export or carry-over on April 1, 1940, is estimated at 336 million bushels, compared with 149 million bushels a year earlier; 48 million bushels on April 1, 1938; and 85 million bushels on April 1, 1937. The supply for export or carry-over in Argentina on April 1 is estimated at only 53 million bushels, compared with 211 million a year earlier, 55 million 2 years earlier, and 53 million in 1937. The corresponding figure for Australia on April 1, 1940 is placed at 158 million bushels, compared with 77, 95, and 68 million bushels on April 1, 1939, 1938, and 1937, respectively. The current estimate for Australia is based on official export figures through January. Figures for United Kingdom port stocks and for stocks afloat for 1940 are not available.

Forecasts of net imports by deficit countries for the 1939-40 season are now tentatively placed at 525 million bushels. This is 48 million bushels less

than in 1938-39, and a downward revision of 35 million bushels from the previous estimate. As was pointed out at the time, forecasts of imports are made with considerable reservation, since trade figures for certain countries are either entirely unavailable or very late in being received. Moreover, there is general uncertainty with regard to agreements and shipping. The current revisions reflect the extension of the war, and limited freight space.

Table 3.- Estimated wheat surplus for export or carry-over in three exporting countries, United Kingdom port stocks, and stocks afloat, April 1, 1937-40 1/

Position	1937	1938	1939	1940
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Canada				
In Canada	73	47	147	314
In the United States	12	1	2	22
Argentina	53	55	211	53
Australia	68	95	77	2/ 158
Total	206	198	437	547
United Kingdom port stocks	13	11	24	3/
Stocks afloat to:				
United Kingdom	16	11	13	3/
Continent	23	20	7	3/
Orders	19	11	10	3/
Total	71	53	54	
Grand total	277	251	491	

1/ Carry-over at the beginning of the year (Canada, July 31: Argentina, January 1; Australia, December 1 of the previous year) plus production, minus domestic utilization for the year, minus monthly exports to date.
2/ Based on official exports through January, supplemented by unofficial estimates for February and March.
3/ Not available.

Prices in Winnipeg and Buenos Aires up with domestic prices

Wheat prices in Winnipeg and Buenos Aires, influenced largely by the intensified war situation and poor European crop prospects, also advanced sharply during the past month. While prices at Buenos Aires have advanced about the same as prices in Chicago and Kansas City (table 4), those at Winnipeg have advanced less. Future prices at Buenos Aires for the week ended April 20, advanced 9 cents while those at Chicago and Kansas City advanced 8 and 9 cents, respectively, compared with futures prices for the week ended March 16. On the other hand, futures prices at Winnipeg in the same period advanced 2 cents. For the week ended April 20 May futures at Buenos Aires were 70.6 cents and at Winnipeg 82.5 cents, in United States currency converted at the official rate. In Canadian funds, this price at Winnipeg is 90.7 cents.

Table 4.- Average closing price of May wheat futures, specified markets and dates, 1939 and 1940

Period	Winnipeg 1/		Liverpool 1/		Buenos Aires		Chicago		Kansas City		Minneapolis	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.
Month												
Jan.	62.2	78.8	2/63.3	---	---	---	69.5	100.9	66.0	99.5	72.5	99.2
Feb.	62.3	79.1	62.4	---	---	---	68.4	101.0	64.6	95.2	71.0	98.7
Mar.	60.7	80.9	60.0	---	---	---	68.1	103.5	64.1	97.7	70.1	99.4
Week ended												
Mar. 2	62.0	80.9	61.6	---	3/59.5	61.2	68.7	99.1	64.7	95.9	71.0	99.1
9	61.2	81.2	60.0	---	3/59.5	61.5	68.2	103.2	64.2	97.2	70.3	99.8
16	59.9	80.3	59.6	---	3/59.5	61.6	67.7	102.4	63.8	96.4	69.4	98.2
23	60.5	80.9	59.6	---	59.9	62.0	67.8	104.2	63.9	98.5	70.0	99.7
30	60.2	81.2	59.6	---	59.6	62.3	67.9	105.3	64.2	100.0	70.0	100.2
Apr. 6	60.0	81.0	58.5	---	59.7	66.9	68.1	105.0	63.9	100.0	70.0	100.4
13	60.4	81.7	58.7	---	59.8	69.8	69.0	107.0	64.6	101.7	71.2	102.0
20	60.7	82.5	59.5	---	59.7	70.6	69.2	110.5	64.5	105.3	70.9	104.8
High 4/	62.8	82.5	64.1	---	5/59.9	5/70.6	70.2	110.5	66.9	105.3	73.3	104.8
Low 4/	59.9	76.7	58.5	---	5/59.4	5/57.8	67.7	96.8	63.8	91.4	69.4	95.6

1/ Conversions at noon buying rate of exchange 1939; 1940 figures at official rate which is 90.909 cents. Any United States buyer of Canadian grain would be required to make settlement in terms of United States dollars through an agent of the Canadian Foreign Exchange Control Board at the official rate.
2/ Duty-free wheat.
3/ March futures.
4/ January 6 to April 20, 1940, and corresponding dates for 1939.
5/ March and May futures.

THE DOMESTIC WHEAT SITUATION

BACKGROUND.- Domestic wheat prices from the spring of 1933 to the spring of 1937 were unusually high in relation to world prices, as the result of small crops in the United States. During this same period, prices in other countries also moved upward, reflecting a world-wide recovery in commodity price levels, currency depreciation, and reduced production. The average prices received by United States producers for the 1931 and 1932 crops were 39 and 38 cents, respectively, compared with average prices for the 4 crops, 1933 to 1936 of 74, 85, 83, and 103 cents per bushel, respectively.

In 1937 United States production was large and prices to growers declined to an average of 96 cents. In 1938, with domestic production again large, with a record world crop and with lower commodity prices, prices received by producers declined to an average of 56 cents and would have averaged still lower had it not been for the loan and export-subsidy programs which held domestic prices above export parity.

Prices received by growers for wheat during the year beginning July 1939 are expected to average 70 cents or more. This also is relatively high compared with the usual relationship to prices in other countries, as a result of the operation of the agricultural programs and poor prospects for the 1940 crop.

Exports from the United States have declined with those from other surplus wheat-producing countries from about 1926 to 1933. During the period 1934-36, small crops in the United States (the result of abnormally low yields per seeded acre) were followed by net imports. The 1937 wheat crop was greatly in excess of domestic needs, and 100 million bushels of wheat and flour in terms of wheat were exported under conditions of reduced competition resulting from small crops in Canada and Argentina. In 1938 another large crop was produced, but exports were the most difficult since 1931 because of large crops in other countries, and exports of 107 million bushels were made possible only by an export-subsidy program. With a 1939 crop only moderately large and prospects of a poor crop in 1940, exports in 1939-40 have been greatly reduced; it is expected they will approximate only about 50 million bushels.

Total wheat supply in 1940 may exceed 900 million bushels

The total domestic wheat supply in 1940 is expected to exceed 900 million bushels according to present indications. This total is based on a winter wheat crop indicated as of April 1, 1940 at about 426 million bushels, a spring crop (including durum) very tentatively placed at 200 million bushels on the basis of average yields on prospective plantings, and a carry-over of all wheat on July 1, 1940 estimated at about 290 million bushels. With prospects that domestic disappearance will approximate 660 million bushels and shipments to our possessions, 3 million bushels, the quantity left for exports to foreign countries and carry-over at the close of the 1940-41 season may be about 250 million bushels. On the basis of present conditions, exports in 1940-41 are expected to be small. Under the provisions of the Agricultural Adjustment Act of 1938, the carry-over goal is 30 percent of a normal year's consumption and exports, or approximately 225 million bushels.

Table 5.- Wheat supply and distribution, by classes, in continental United States, estimated for 1939-40 and projected for 1940-41

Item	Total
	Million bushels
Year beginning July 1, 1939	
Carry-over July 1, 1939	254
Production in 1939	755
Total supply	1,009
Exports and shipments	1/ 50
Domestic disappearance	670
Year beginning July 1, 1940 (Projected)	
Carry-over July 1, 1940	2/ 289
Production in 1940	3/ 626
Total supply	915
Domestic disappearance	660
Available for shipments, exports, and carry-over July 1, 1941	255
Shipments	3
Available for exports and carry-over July 1, 1941	252

1/ Revised from 40 to 50 million bushels.
2/ Revised from 299 to 289 million bushels.
3/ See text.

Winter wheat production.- The prospective 1940 winter wheat crop, placed at 426,215,000 bushels on the basis of April 1 indications, is lower by nearly a fourth than the 1939 crop of 563,431,000 bushels, and the 10-year (1929-38) average production of 571,067,000 bushels. The prospect is for the smallest winter wheat production since 1933. Although conditions improved generally from December to April 1, there was still much uncertainty in some areas, where the outcome of a considerable acreage of late sown, ungerminated, and poorly rooted wheat was dependent upon adequate spring moisture. This situation was most acute in the heart of the hard winter wheat area, centering in Nebraska, Kansas, and Oklahoma, and parts of Colorado and Texas. (Precipitation April 1-20 was above average in north central Texas, Oklahoma and central Kansas, but remained below average in eastern and northwestern Texas, western Kansas, Nebraska and Colorado.)

Preliminary indication of the acreage remaining for harvest indicated abandonment of about 29 percent of the seeded acreage. With this heavy abandonment to acreage remaining for harvest would be about 31,900,000 acres, 16 percent under the 37,902,000 acres harvested in 1939, and closely approximating the 10-year average harvested acreage.

The indicated yield per seeded acre was 9.5 bushels. This is 2.7 bushels lower than the 1939 seeded yield, and 2.5 bushels below the 10-year average. Yields lower than those of last year and lower than average were indicated in nearly all States east of the Mississippi River. In the Great Plains States yield prospects were very uncertain, and were below average by 1 to 5 bushels per acre. Winter rains resulted in marked improvement in conditions in West Coast States extending eastward to Montana, Utah and New Mexico.

Spring wheat production.- There is little upon which to base an appraisal of the prospective spring wheat yields this early in the season. The Crop Reporting Board will indicate a probable range in spring wheat production in its report on June 10 and will issue its first estimate on July 10. Correlation studies by the Bureau indicate that, while fall precipitation exercises some influence, the size of the crop is determined chiefly by June and July temperature and April-May precipitation. Since April 1, precipitation has been above normal in northern Minnesota and all of Montana, but below normal in southern Minnesota, North Dakota, and South Dakota. In the absence of any other basis, average yields for spring wheat have been assumed in order to sum up the general wheat situation.

If growers seed to spring wheat the acreage indicated in the March prospective plantings report (19.4 million acres), and if the 20-year (1920-39) average yields (10.3 bushels) are obtained, this year's spring wheat crop, including durum, will be about 200 million bushels.

Farm disappearance of wheat, January-March, 81½ million bushels

Farm stocks of all wheat on April 1 were estimated at 157.5 million bushels compared with 188.4 million bushels a year earlier and the 10-year (1929-38) average of 124.9 million bushels. Stocks of wheat were particularly large in most of the northern plains States where spring wheat production is important and where relatively large quantities of wheat remained on farms on April 1, under Government loan, and are included in stocks of wheat on farms.

The indicated disappearance of all wheat from farms during the January-March quarter was 81.5 million bushels, compared with 91.7 million bushels during the same period last year, and the average of 91.6 million bushels. The April farm holdings of wheat, by classes, were approximately as follows: hard red winter, 54.6 million bushels; soft red winter, 24.7 million bushels; white (winter and spring combined), 12.4 million bushels; hard red spring, 51.6 million bushels; and durum, 14.2 million bushels.

Domestic wheat prices sharply higher

Domestic wheat prices in April advanced sharply from the levels of the middle of March to the highest levels since 1937. Factors which contributed to this rise were the intensification of the war situation, pessimistic crop news from abroad and large Canadian export sales. The advance followed a decline during the middle of March which was influenced by the Russo-Finnish peace developments and widespread precipitation over domestic wheat areas.

The price of No. 2 Hard Winter wheat at Kansas City averaged $1.08 for the week ended April 20 compared with $1.00 for the week ended March 16 (table 6). This was the highest price since the week ended October 2, 1937 when the price of No. 2 Hard Winter wheat at Kansas City was $1.11 per bushel. The previous high

for the season was $1.04 for the weeks ended December 23 and January 6. No. 1 Dark Northern Spring wheat at Minneapolis for the week ended April 20 averaged $1.10 compared with $1.03 for the week ended March 16, and $1.09½ for the week ended January 6. The average price received by farmers for wheat on April 15, on the basis of market prices, is expected to be about 92 cents. This compares with 85 cents on March 15, 1940, and 58 cents on April 15, 1939.

Wheat prices in eastern United States markets have been high enough to attract Pacific Northwest wheat and flour to eastern markets most of the time since November. Part of this has moved by water to Gulf and Atlantic ports, and part by rail to the winter wheat and spring wheat markets of the Middle West. Partly with a view of lessening the price spread, which would reduce this movement, the export market for the Pacific Coast has recently been extended: On January 19 the program to indemnify exports of both wheat and flour to China and Hong Kong was made effective. On March 12 this was extended to include wheat to European countries, and on April 23 to include flour to Dairen to facilitate distribution to North China.

Wheat prices in the United States continue high in comparison with wheat prices in other countries, largely as the result of the Government programs and poor crop prospects. Prices of hard winter wheat at Gulf ports are about 28 cents per bushel above export parity, and prices of domestic spring wheat at Buffalo are only about 9 cents lower than approximately the same quality of Canadian wheat, c.i.f., duty paid, at Buffalo.

Changes in wheat prices in the next few months are expected to continue to depend largely upon developments in the foreign political situation, weather conditions in both this country and abroad, and upon the volume of overseas sales of North American wheat.

Commodity Credit Corporation to take over loan wheat after April 30

After April 30, all 1939 wheat still under Government loan will be taken over by the Commodity Credit Corporation, with the exception of wheat stored on farms in eligible States. This wheat may be resealed for one year if notification of resealing intentions have been made before April 30. The wheat taken over by the Commodity Credit Corporation will be pooled and sold, and any net proceeds over the loan rate, carrying charges, and all other costs will be distributed among producers on a flat per-bushel basis.

The area in which loans on 1939 farm-stored wheat may be renewed was extended on March 21 to include Kansas, New Mexico, Colorado, 22 counties in Oklahoma, and 27 counties in Texas. This will enable the farmers in the area where 1940 winter wheat crop prospects are poor to hold more of the 1939 crop if they desire to do so. The previously announced 10 States in which farm-stored wheat is eligible for resealing are: Idaho, Minnesota, Montana, Nebraska, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming. On April 13, farm-stored wheat under loan in all the States where loans may be renewed totaled about 23 million bushels.

The Corporation also announced that rye loans may be renewed on the same basis as the wheat loans. All the rye under loan is in farm storage located in 7 States. These are North Dakota, Montana, South Dakota, Minnesota, Nebraska, Michigan, and Wisconsin. On March 15, the farm-stored rye under loan totaled about 1.3 million bushels.

Table 6.- Weighted average cash price of wheat, specified markets and dates, 1939 and 1940

Month or date	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No. 2 Hard Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 1/	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month-												
Jan.	72.6	101.8	70.9	101.2	79.7	104.8	72.7	100.2	73.4	105.3	67.6	85.1
Feb.	70.6	101.0	69.2	99.4	78.0	104.3	72.3	99.7	73.1	105.6	67.5	84.9
Mar.	71.0	101.3	68.7	102.1	77.0	104.0	73.7	96.7	73.2	106.3	67.5	83.0
Week ended-												
Mar. 2	71.1	101.1	68.6	99.9	79.3	104.3	74.1	98.4	73.4	105.1	67.9	83.4
9	71.5	101.2	67.0	100.5	77.3	104.3	73.6	97.1	73.4	105.9	67.5	83.5
16	70.5	100.7	68.8	99.8	76.0	103.1	71.5	95.7	72.9	106.6	66.4	82.5
23	70.5	101.2	68.2	102.7	76.6	103.8	74.9	96.8	73.0	106.4	67.8	83.0
30	71.3	102.5	69.0	103.1	75.9	105.3	74.2	97.1	74.2	107.0	68.2	83.0
Apr. 6	71.3	102.6	68.7	103.2	76.6	105.2	73.6	97.1	74.9	107.6	67.9	-83.3
13	72.4	104.1	69.4	104.3	78.9	106.9	73.9	96.9	75.6	109.6	69.2	83.0
20	72.8	107.2	69.4	108.3	77.3	109.7	74.4	99.9	76.0	111.9	70.1	---
High 2/	73.3	107.2	71.7	108.3	80.4	109.7	74.9	104.2	76.0	111.9	70.1	86.9
Low 2/	69.6	97.3	68.2	95.4	75.9	100.4	70.8	95.7	71.9	100.9	66.4	83.2

1/ Weekly average of daily cash quotations, basis No. 1 sacked.
2/ January 6-April 20, 1940, and corresponding dates for 1939.

Table 7.- Margins between domestic wheat prices and prices at Winnipeg, 1935 and 1940 1/

Period	Domestic markets above No. 3 Northern Spring wheat at Winnipeg			
	No. 1 Dark Northern Spring, Minneapolis	No. 2 Hard Winter Kansas City	No. 2 Hard Winter Chicago	No. 2 Red Winter St. Louis
	Cents	Cents	Cents	Cents
Month of Jan.				
1940	33.4	29.8	32.6	33.9
1935	46.2	29.0	35.1	29.7
Difference	-12.8	0.8	- 2.5	4.2
Month of Feb.				
1940	31.5	26.6	32.3	32.8
1935	43.0	27.6	32.9	25.6
Difference	-11.5	- 1.0	- 0.6	7.2
Month of Mar.				
1940	28.5	26.6	30.0	30.8
1935	38.6	22.6	28.9	20.4
Difference	-10.1	4.0	1.1	10.4
Sec. Week of Apr.				
1940	29.9	27.3	30.3	32.6
1935	35.0	20.0	25.8	14.9
Difference	- 5.1	7.3	4.5	17.7

1/ Winnipeg prices in 1940 converted at official rate of 90.909 cents. Any United States buyer of Canadian grain would be required to make settlement in terms of United States dollars through an agent of the Canadian Foreign Exchange Control Board at the official rate.

Table 8.- Monthly overseas clearances of wheat, in comparison with the customs exports of wheat and wheat flour, by months, August 1938 - February 1940

Year and month	Overseas clearances of Canadian wheat	U.S. imports of Canadian wheat for consumption and milling in bond	Customs exports of Canadian wheat flour	Totals	Customs exports of wheat and wheat flour
	Bushels	Bushels	Bushels	Bushels	Bushels
1938-39					
Aug.	6,878,655	9,924	1,288,215	8,176,794	7,554,270
Sept.	13,798,454	924,770	1,438,826	16,162,050	14,053,684
Oct.	22,668,632	1,224,923	2,378,705	26,272,260	26,958,075
Nov.	19,091,220	895,531	2,150,437	22,137,188	23,853,951
Dec.	6,767,988	499,883	1,642,882	8,910,753	17,625,408
Jan.	8,585,226	855,884	1,707,921	11,149,031	9,586,884
Feb.	7,280,330	1,017,813	1,308,447	9,606,590	7,054,780
Mar.	5,452,361	897,365	1,623,384	7,973,110	8,187,661
Apr.	3,862,253	878,034	1,238,738	5,979,025	4,070,350
May	14,674,858	1,000,717	2,321,001	17,996,576	15,976,267
June	10,711,089	985,981	1,805,350	13,502,420	16,442,366
July	9,317,464	1,035,725	1,815,197	12,168,386	15,595,751
Total	129,088,530	10,226,550	20,719,103	160,034,183	186,959,447
1939-40					
Aug.	10,547,763	944,372	1,706,742	13,198,877	11,979,671
Sept.	12,120,504	693,835	1,874,489	14,688,828	17,515,631
Oct.	6,225,133	996,611	1,998,648	9,220,392	18,847,495
Nov.	15,218,051	1,030,351	2,577,645	18,826,047	23,212,844
Dec.	11,011,279	406,637	4,062,213	15,480,129	38,474,661
Jan.	15,946,245	938,657	3,263,922	20,148,824	13,621,527
Feb.	1/13,212,338	1/ 812,000	2,517,021	1/16,541,359	9,115,258
Aug.-Feb. 1939-40	84,281,313	5,822,463	18,000,680	108,104,456	132,767,087
Aug.-Feb. 1938-39	85,070,505	5,428,728	11,915,433	102,414,666	106,687,052

1/ Subject to revision.

Because of the large volume of Canadian wheat being shipped overseas via United States Atlantic ports this season, there is an unusual difference between Canada's export volume recorded in the overseas clearances, and in the Customs export returns. This difference is due primarily to the fact that the overseas clearances do not include wheat moving in transit through the United States until it is cleared for overseas, whereas Customs export returns include such wheat, as it moves into the United States. Consequently in the autumn months, when Canadian wheat stocks in United States positions were being built up in anticipation of winter overseas shipments, the Customs totals exceeded those of the overseas clearance records. During January and February, however, the reverse has been true as stocks at the American seaboard have been drawn upon for shipment overseas. This situation is illustrated in the table above, where both sets of export records are shown monthly for the August-February period, 1939-40, with comparisons for the previous crop year. It will be noted that the Customs exports exceeded the overseas clearances, etc., by 6.9 million bushels in the 1938-39 crop year because Canadian wheat stocks in the United States showed a net increase of approximately the same amount during that crop year.

From: "Monthly Review of the Wheat Situation," Vol. 10, No. 7., Dominion Bureau of Statistics Agricultural Branch, Ottawa, Canada. March 21, 1940.

Table 9.- Movement of wheat, including flour, from principal exporting countries, 1936-37 to 1939-40

Country	Exports as given by official sources						Date
	Total			July 1 to date shown			
	1936-37	1937-38	1938-39	1937-38	1938-39	1939-40	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States 1/	21,584	107,194	115,784	65,855	73,893	39,635	Feb. 29
Canada	213,028	94,346	159,885	78,766	123,396	160,211	March 31
Argentina	162,977	69,670	116,116	42,964	45,311	115,076	Feb. 29
Australia	97,712	123,453	96,685	47,551	48,815	34,231	Jan. 31
Soviet Union	4,479	43,354	2/38,000				
Hungary	27,428	9,368	27,650	6,104	15,498	29,276	Jan. 31
Yugoslavia	17,954	5,012	5,346	4,585	4,298	6,660	Jan. 31
Rumania	36,258	32,210	43,940	23,318	26,176	22,585	Jan. 31
Bulgaria	7,275	8,489	2,633	5,632	179	4,749	Jan. 31
British India	16,571	19,677	10,097	10,506	8,207	3/1,837	Nov. 30
Total	605,266	512,973	616,136				

	Shipments as given by trade sources						
	Total		Week ended 1940			July 1	Apr. 20
	1937-38	1938-39	Apr. 6	Apr. 13	Apr. 20	1938-39	1939-40
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 4/	184,720	245,296	5,034	3,811	4,696	192,552	167,387
Canada 5/	94,546	159,885	4,600	2,700	4,200	130,200	171,700
United States 6/	83,589	94,157	451	1,140	528	73,239	36,638
Argentina	66,928	114,272	4,070	4,288	2,651	68,960	135,218
Australia	127,520	102,116	---	---	--- 7/	48,815	7/34,231
Soviet Union	42,248	39,824	0	0	0	39,736	2,342
Danube and Bulgaria 8/	37,232	52,848	352	616	704	40,224	32,472
British India	9/19,677	9/10,097	0	0	0	6,208	0
Total, above 10/	478,325	564,453				396,495	371,650
Total European shipments 4/ ...	397,592	450,784					
Total ex-European shipments 4/ ...	99,400	146,760					

1/ Includes flour milled in bond from foreign wheat.
2/ From official sources. Through December supplemented by unofficial estimates for the following six months.
3/ Excludes land trade for November 1939.
4/ From Broomhall's Corn Trade News.
5/ Official customs exports as reported to date, supplemented by weekly estimates derived by subtracting the United States exports from Broomhall's estimate for North America.
6/ Official reports received from 16 principal ports only.
7/ Through September 2 only. Not available subsequently.
8/ Black Sea shipments only.
9/ Official.
10/ Total of trade figures includes North America as reported by Broomhall's but does not include items 2 and 3.

Table 10.- Exports of wheat and wheat flour from the United States, 1938-39 and 1939-40

(Includes flour milled in bond from foreign wheat)

Period	Wheat		Wheat flour		Wheat including flour	
	1938-39	1939-40	1938-39	1939-40	1938-39	1939-40
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July-February						
Week ended 1/	55,576	17,239	3,897	4,765	73,893	39,635
Mar. 9	2,612	1,341	70	102	2,941	1,820
16	2,087	1,378	75	102	2,439	1,857
23	221	435	68	103	541	943
30	1,245	850	106	63	1,743	1,146
Apr. 6	1,142	258	88	41	1,556	451
13	1,457	2/ 717	40	90	1,645	1,140
20	918	81	250	2/ 95	2,093	2/ 528

Compiled from reports of the Department of Commerce.
1/ Data for total exports from the United States by weeks are not available. These data represent exports through 16 of the principal ports.
2/ Preliminary.

Table 11.- Shipments of wheat, including flour, from principal exporting countries, specified dates, 1938-39 and 1939-40

Period	Argentina		Australia		Danube		North America	
	1938-39	1939-40	1938-39	1939-40	1938-39	1939-40	1938-39	1939-40
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July-February	46,772	115,736	64,252	1/11,028	34,080	27,680	167,352	131,104
Week ended								
Mar. 9	2,092	2,088	1,748	2/	472	1,240	4,416	7,371
16	1,940	1,536	2,352	2/	1,080	824	4,568	5,245
23	2,488	2,976	2,312	2/	512	536	2,128	4,728
30	4,736	1,869	2,588	2/	808	520	3,784	5,398
Apr. 6	3,208	4,070	2,840	2/	272	352	3,752	5,034
13	3,556	4,288	2,240	2/	1,576	616	3,072	3,811
20	4,108	2,651	1,904	2/	1,424	704	3,480	4,696

Compiled from Broomhall's Corn Trade News.
1/ Through September 2 only.
2/ Not available.

Table 12.- Net imports of wheat including flour, into European countries, years beginning July 1, 1937 to 1939

Country	1937-38	1938-39	Reported net imports		
			July 1 to	1938-39	1939-40 1/
	Million bushels	Million bushels		Million bushels	Million bushels
Belgium	36	39	Nov. 30	19	18
Czechoslovakia	2/- 1	2/ - 1	Aug. 31	1	3
Denmark	6	5	Feb. 29	4	3
Finland	3	2	Aug. 31	1	3/
France	15	2/ - 2	July 31	1	2/- 2
Germany)					
Austria)	54	45	July 31	2	1
Greece	18	14	Jan. 31	7	7
Ireland	14	17	Aug. 31	2	3
Italy	5	14	July 31	3	2
Latvia	1	2/	Aug. 31	3/	0
Netherlands	24	29	Jan. 31	17	17
Norway	7	8	Jan. 31	5	9
Poland	3/	2/ - 3	July 31	4/	4/
Portugal	1	4	Nov. 30	3	3/
Sweden	2/ - 1	2	Sept. 30	1	3/
Switzerland	14	17	Dec. 31	10	11
United Kingdom	193	220	Aug. 31	38	48
Total imports of above	391	416			
Spain	3	16			
Total imports	394	432		114	122
Total exports	2	6		0	- 2
Total European net imports	392	426		114	120
Shipments to non-Europe	99	147			
Total European net imports and shipments to non-Europe	491	573			

Compiled from official sources except as otherwise stated.

1/ Forecast of net imports for the entire year found in WS-37, November 1939, p. 8.
2/ Net exports.
3/ Less than 500,000 bushels.
4/ Net exports of less than 500,000 bushels.

Table 13.- United States acreage seeded, yield per acre, and production of all wheat, 1919 to date

Year	Seeded acreage	Yield per seeded acre	Production
	1,000 acres	Bushels	1,000 bushels
1919	77,440	12.3	952,097
1920	67,977	12.4	843,277
1921	67,681	12.1	818,964
1922	67,163	12.6	846,649
1923	64,510	11.8	759,482
1924	55,706	15.1	841,617
1925	61,738	10.8	668,700
1926	60,712	13.7	832,213
1927	65,661	13.3	875,059
1928	71,152	12.9	914,373
1929	66,840	12.3	823,217
1930	67,150	13.2	886,470
1931	65,998	14.3	941,674
1932	65,913	11.5	756,927
1933	68,485	8.1	551,683
1934	63,562	8.3	526,393
1935	69,207	9.1	626,344
1936	73,724	8.5	626,766
1937	81,072	10.8	875,676
1938	79,565	11.7	931,702
1939	63,896	11.8	2/ 754,971
1940 1/	64,439		

1/ Preliminary indications.
2/ Production figure published in The Wheat Situation, March 26, 1940, page 18, corrected.

Table 14.- Percentage monthly sales of wheat and rye by farmers, United States, average 1927-36 and annually 1927-38

Season beginning June	Percentage of total sales during												
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Wheat													
Average 1/, 1927-28 to 1936-37	5.4	23.8	19.3	13.6	8.5	5.2	4.7	3.7	3.8	3.4	3.1	3.3	2.2
1927	2.7	15.1	18.0	19.8	12.6	7.8	5.3	4.5	4.0	3.7	2.5	2.7	1.3
1928	1.4	18.[illegible]	18.4	17.3	12.0	7.2	5.4	4.2	4.2	3.5	2.8	2.7	2.1
1929	5.2	25.6	22.2	14.0	8.6	4.8	4.5	3.1	2.9	2.5	2.4	2.6	1.6
1930	4.4	26.0	20.2	11.9	6.9	4.4	4.7	4.7	4.8	3.5	3.2	4.0	1.3
1931	6.2	26.9	18.5	10.0	7.9	4.6	4.5	3.9	5.5	3.4	3.4	3.8	1.4
1932	4.9	18.5	19.3	14.0	7.9	5.5	4.8	3.6	3.5	3.5	4.4	5.4	4.7
1933	9.3	21.9	19.8	13.3	7.0	5.0	3.7	3.7	3.4	3.5	2.7	3.1	3.6
1934	11.9	30.4	15.3	9.4	5.2	4.2	4.4	2.9	3.5	2.9	4.4	3.5	2.0
1935	2.5	19.2	25.8	17.7	9.7	4.5	3.8	3.7	2.5	3.4	2.6	2.2	2.4
1936	5.8	35.4	15.8	8.7	6.8	4.3	5.6	3.1	3.4	3.8	2.7	2.9	1.7
1937	9.1	30.2	16.3	10.4	6.0	3.8	4.0	3.8	3.9	3.3	3.9	3.3	2.0
1938	5.7	24.9	17.3	11.6	7.8	4.7	4.7	3.6	3.2	3.7	3.9	5.2	3.7
Rye													
Average 1/, 1927-28 to 1936-37	0.1	11.8	23.2	19.2	12.0	7.3	5.4	4.0	3.6	3.8	3.1	3.3	3.2
1927	0	3.7	19.1	27.4	17.0	9.9	5.4	4.5	4.1	3.6	2.0	1.9	1.4
1928	0	3.7	18.2	28.7	17.7	10.2	6.0	4.2	3.3	2.9	1.9	1.6	1.6
1929	0	10.6	32.6	20.4	12.6	7.4	5.6	3.2	2.0	1.6	1.4	1.4	1.2
1930	0	12.3	32.3	22.3	11.5	4.8	4.3	2.6	2.7	1.9	1.9	1.8	1.6
1931	0.1	11.7	21.5	15.1	10.7	8.4	6.5	5.9	5.4	5.2	3.8	3.2	2.5
1932	0.1	7.7	17.8	13.4	8.9	6.4	4.9	4.6	3.6	4.7	6.3	8.9	12.7
1933	0.1	21.1	23.3	14.6	9.8	7.1	4.6	3.9	3.7	3.9	2.7	2.6	2.6
1934	0.2	22.0	27.5	16.9	8.8	5.1	4.2	2.7	2.4	2.8	2.4	2.7	2.3
1935	0.1	5.9	19.4	18.4	13.5	7.6	5.5	4.8	4.3	6.9	4.5	5.0	4.1
1936	0.2	18.8	20.0	14.3	10.0	6.5	7.4	4.1	4.7	4.5	3.9	3.6	2.0
1937	0.1	16.6	32.7	16.9	8.8	5.2	4.2	3.5	3.6	3.1	1.7	1.9	1.7
1938	0.1	13.3	32.6	15.0	9.3	4.9	4.0	3.4	2.3	3.3	2.9	4.0	4.9

1/ Average figures published in The Wheat Situation, January 26, 1940, page 18, corrected.

WHERE TO FIND STATISTICS ON THE WHEAT SITUATION NOT INCLUDED IN THIS ISSUE: 1/

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Price and income		
Sales, price per bushel, and cash income, 1910-39	13	Feb. 1940 WS-40
Average price received by farmers in the United States, 1908-39	17	Mar. 1940 WS-41

1/ Selected tables used most frequently.

STATISTICS ON THE RYE SITUATION IN "THE WHEAT SITUATION" FEBRUARY 26, 1940